

# **OMRON**

## **Basic Information**



Aug 2020  
OMRON Corporation

# About OMRON

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# Corporate Profile

**Established**

May 10, 1933

**Head Office**

Shiokoji Horikawa, Shimogyo-ku, Kyoto 600-8530 Japan

**Capital**

¥64.1bn

**Net Sales**

¥678.0bn (Year ended Mar 31, 2020)

**Number of  
Employees**

28,006 (As of Mar 31, 2020)

**Stock Listing**

Tokyo (Ticker symbol: 6645)

**Number of  
Shares Issued**

206,245 thousand shares (As of Mar 31, 2020)

# Established in 1933 as "Tateishi Electric Manufacturing Co."

**Kazuma Tateishi established "Tateishi Electric Manufacturing Co." in Higashi-Osaka in 1933.**

**The first launched product which led to the foundation of OMRON was X-ray timers. With accurate shooting in 1/20 second, it was a revolutionary product at the time.**

**In 1945, moved the head office to Omuro in Kyoto to escape war damage.**

**In 1990, changed the company name to "OMRON Corporation"**



Founder Kazuma Tateishi  
(1900~1991)



At the time of  
establishment



X-ray timer

# Our DNA: Contributing to the Society Through Business

In 1959, publicly announced the OMRON's Corporate Motto



【Corporate Motto】

*To improve lives and contribute to a better society.*

Handwritten Sketch by Our Founder

# Corporate Principles (Revised in 2015)

## Our Mission

**To improve lives and contribute to a better society**

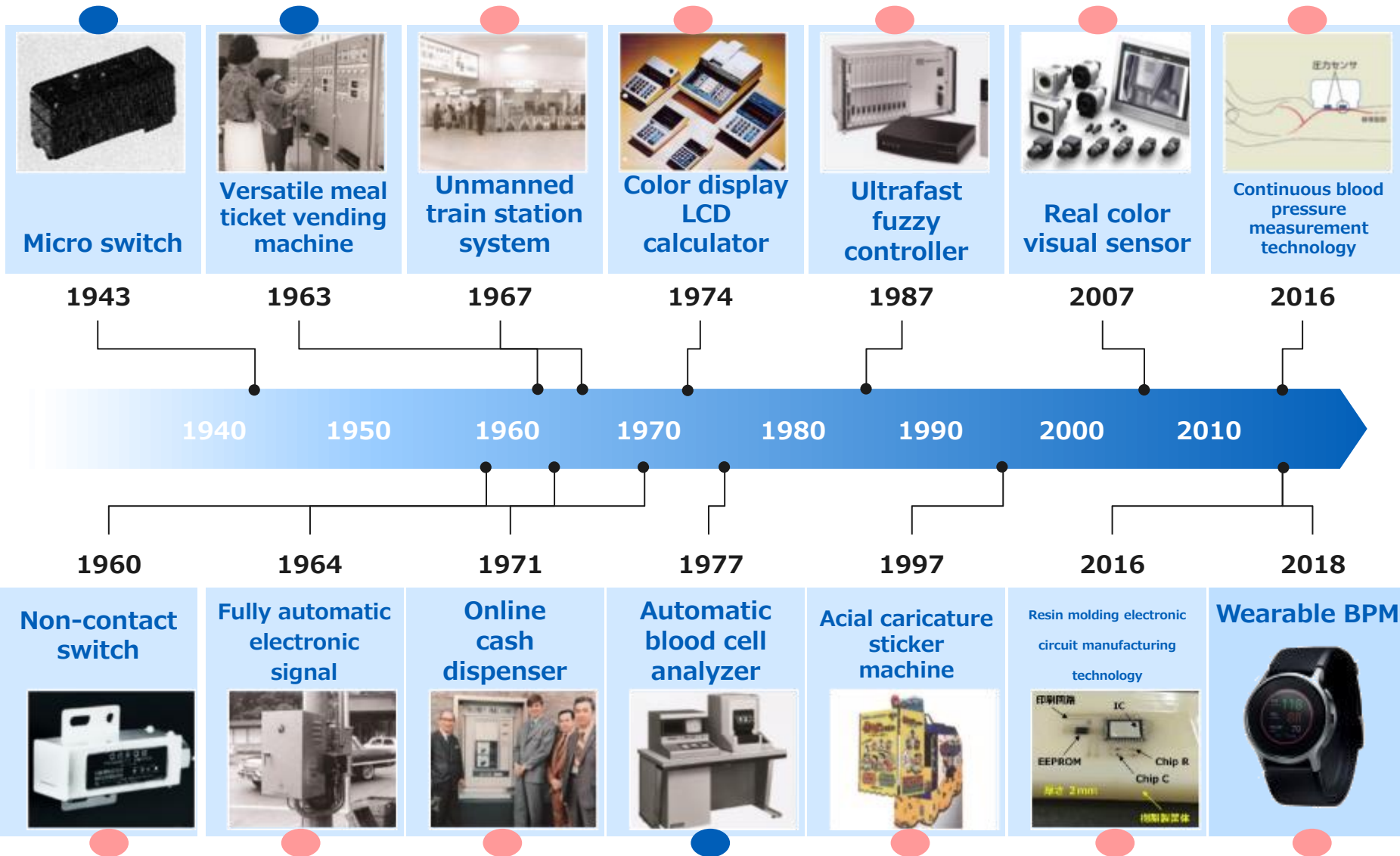
## Our Values

- **Innovation Driven by Social Needs**  
Be a pioneer in creating inspired solutions for the future.
- **Challenging Ourselves**  
Pursue new challenges with passion and courage.
- **Respect for All**  
Act with integrity and encourage everyone's potential.



# OMRON's History: Innovation Driven by Social Needs

● The World's First ● First in Japan



# OMRON's Core Technologies

OMRON's core technology is "Sensing & Control + Think".  
Analyzes a variety of information and converts into value.



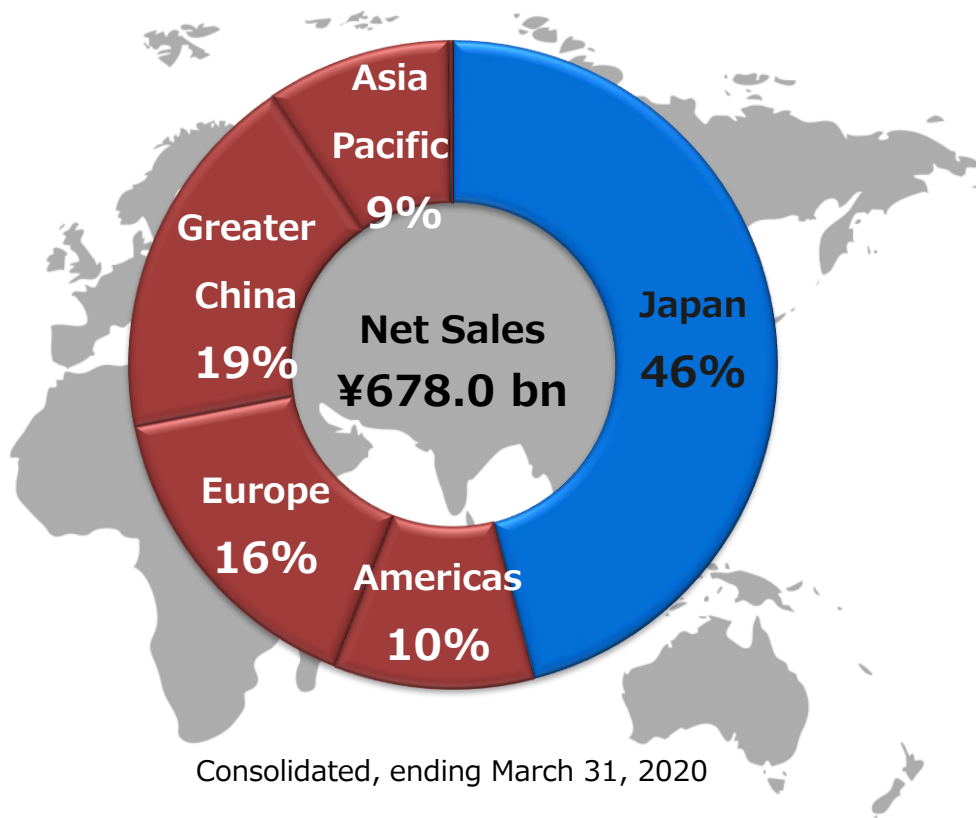
Technology that converts  
sensed information into value  
(Software)

**Technology that integrates all into one  
product which automates all  
= "Sensing & Control + Think".**

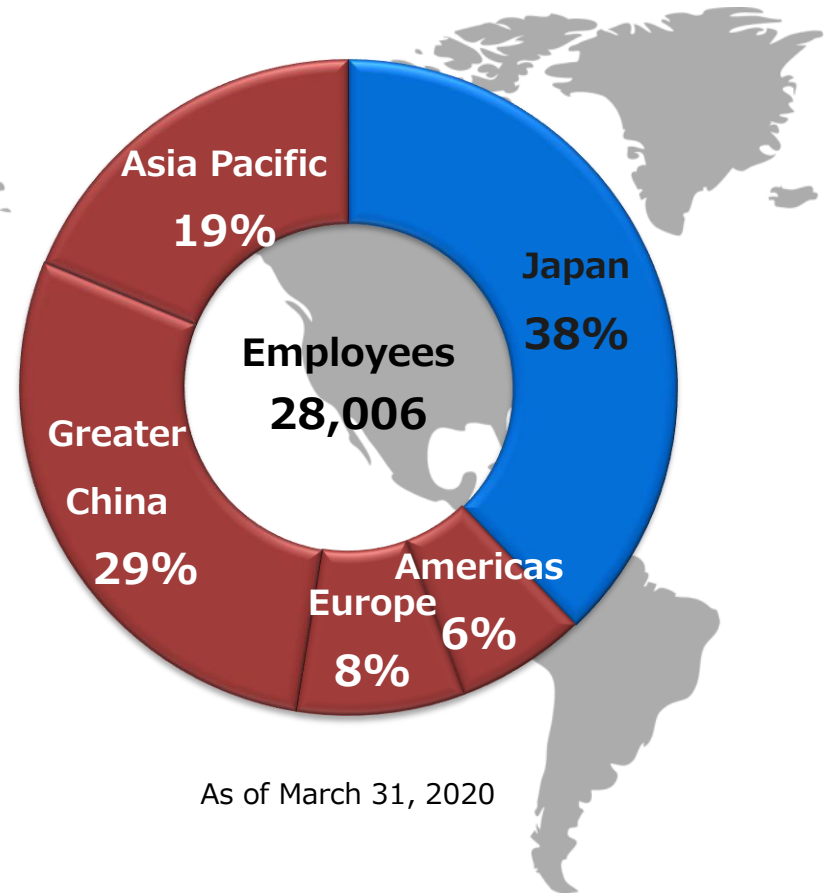


# Business Develops in about 120 Countries and Areas

Over 50% is  
overseas' sales



Approx. 60% are  
non-Japanese



# OMRON's Diverse Business Portfolio

## Other

Business under the Direct Control of HQ



PV inverters, Storage systems, etc.

## HCB

Healthcare

Supporting the health of people around the world (electronic bpm, thermometer, etc.)



## SSB

Social Systems, Solution & Service

Contributing to the comfortable and safe life by diverse systems for social infrastructure (automatic ticket gates, ticket vending machine, etc.)



Elimination  
& Corporate  
1%

Other  
5%

HCB  
17%

SSB  
12%

EMC  
13%

FY2019  
Net Sales  
by Segment  
¥678.0 bn

IAB  
52%

## IAB

Industrial Automation

OMRON's mainstay business, leading the innovation of global manufacturing through factory automation (FA)



## EMC

Electronic & Mechanical Components

Contributing to the high performance of consumer electronics, telecommunication equipment, etc. (relays, switches, etc.)



# Industrial Automation (IAB)

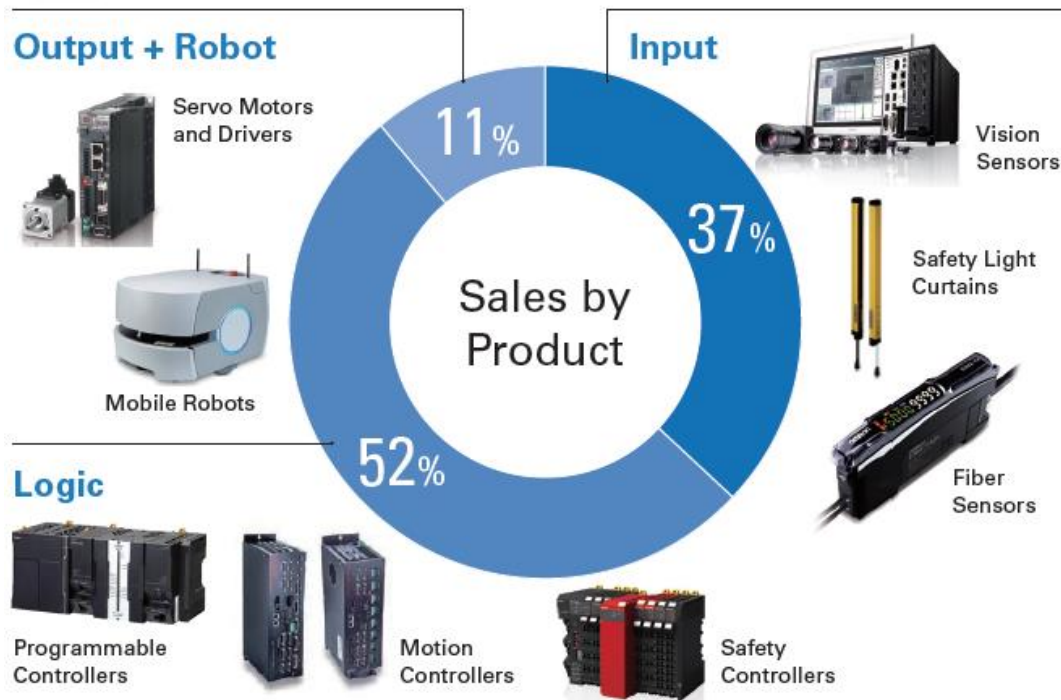


## Industrial Automation Business

Share of the Control-Related Equipment Market (Japan)

Approx. **40%**

Source: Nippon Electric Control Equipment Industries Association



# Full Coverage of Products

Broad lineup of over 200,000 products

× as many as 170 control applications software generation



# Electronic & Mechanical Components (EMC)



## Electric and Mechanical Components Business

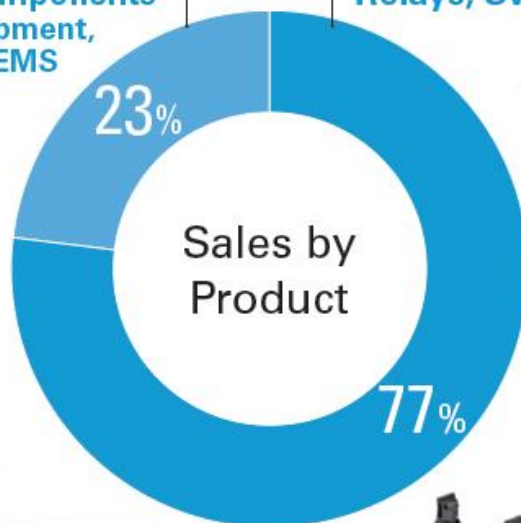
Share of the Relays Market (Global)

Approx. **20%**

Source: Internal survey

**Other Electric Components**  
(Amusement Equipment,  
Image Sensing, MEMS  
Sensors etc.)

**Relays, Switches, Connectors**



Power Relays for  
Printed Circuit Boards



Surface-Mounted  
Switches



MIL Connectors

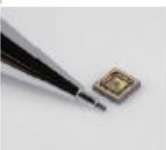


Power Supply Units for  
Amusement Devices



Image Sensing

MEMS Pressure  
Sensors





# Social Systems, Solution & Service (SSB)

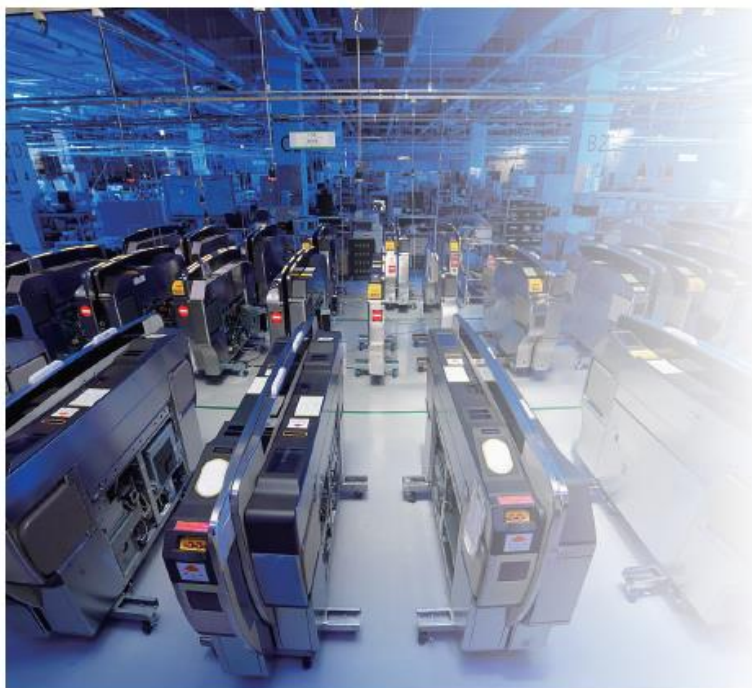


## Social Systems, Solutions and Service Business

Share of the Station  
Equipment Market (Japan)

Approx. **50%**

Source: Internal survey



**Other**  
(Software Development, etc.)

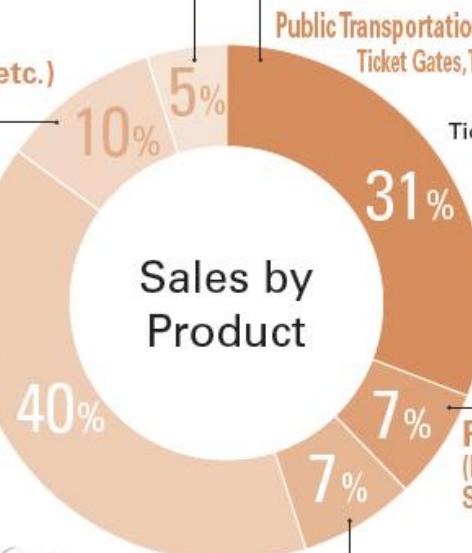
**Uninterruptible Power  
Supply Units (UPS)**



**Engineering,  
Environmental Solutions**



**Sales by  
Product**



**Ticket Vending  
Machines**



**Automated  
Ticket Gates**



**Road Traffic  
(Road Traffic Management  
Systems, etc.)**



**Payment Systems**





# Healthcare (HCB)



## Healthcare Business

Share of the Home-Use Blood Pressure Monitors Market (Global) Approx. **50%**

Source: Internal survey

Other (Activity Trackers, etc.)



Body Composition Monitors

Thermometers



Low-frequency therapy equipment



Blood Pressure Monitors



Nebulizers



Sales by Product

56%

15%

4%

7%

7%

11%

# Enhancement of Corporate Value

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# VG2.0 Medium-Term Management Plan: Goals & Group Policy

## Integration of Sustainability Initiative into VG2.0

### OMRON Principles

### VG2.0

#### Business Strategies

#### Sustainability Issues

A value-generator for people and the Earth that is qualitatively and quantitatively superior

1. Reinforce businesses by designating focus domains
2. Business model evolution
3. Enhance core technologies

×

Collaboration with partners

+

Human capital management,  
manufacturing, risk management...

FA



Healthcare



Social  
Solutions



×

Collaboration with partners



+

Human  
Capital Mgmt.



Manufacturing



Risk  
Management



# OMRON Included in Major ESG Indices (As of July 2020)

## ESG Indices which include OMRON

- ✓ DJSI – World **3<sup>rd</sup> consecutive year**
- ✓ FTSE4Good Index Series **3<sup>rd</sup> consecutive year**
- ✓ MSCI ESG Leaders Indexes **4<sup>th</sup> consecutive year**
- ✓ MSCI SRI Indexes **3<sup>rd</sup> consecutive year**
- ✓ STOXX Global ESG Leaders indices **4<sup>th</sup> consecutive year**
- ✓ FTSE Blossom Japan Index **4<sup>th</sup> consecutive year**
- ✓ MSCI Japan ESG Select Leaders Index **4<sup>th</sup> consecutive year**
- ✓ MSCI Japan Empowering Women Index **4<sup>th</sup> consecutive year**
- ✓ S&P/JPX Carbon Efficient Index **2<sup>nd</sup> consecutive year**



\* OMRON discloses information and contributes to numerous external surveys for ESG assessment organizations, including the CDP Climate Change & Water Security questionnaires.  
FY2019 Assessment: Climate Change 'A-', Water Security 'B'



# External Recognition (As of July 2020)

## Domestic ESG awards, selection for inclusion

### Japan Association of Corporate Directors

- ✓ Corporate Governance of the Year 2018

METI Minister's Award for Corporate Governance of the Year **FY2018**



Corporate Governance  
of The Year

### Ministry of the Environment

- ✓ FY2018 Minister's Award for Global Warming Prevention Activity

'Implementation of Countermeasures and Dissemination Category' **FY2018**



### Sponsored by Nikkei Inc

- ✓ Nikkei SDGs Management Grand Prix SDGs Strategy/Economic Value Award **December 2019**

### Selected by METI, TSE

- ✓ TSE 2014 Corporate Value Improvement Award, Grand Prix. **FY2014**



- ✓ Nadeshiko Brand

**3<sup>rd</sup> consecutive year from FY2017**



- ✓ Health & Productivity Stock

**2<sup>nd</sup> consecutive year from FY2018**



- ✓ Health & Productivity: White 500

**4<sup>th</sup> consecutive year from FY2016**



### Selected by Nikkei Inc.

- ✓ Nikkei 225

**March 2019, 1<sup>st</sup> time**

# Basic Policy on Profit Sharing

The priority of profit sharing is  
**(1) investment for future growth (2) dividends (3) share buybacks**

## Investment for Future Growth

Focusing on Factory Automation and Healthcare, allocate investment for growth (M & A), R & D, and capital expenditures.

## Dividend

Decide on a target of

- full-year dividend payout ratio as approximately 30%.
- dividend on equity ratio (DOE) as approximately 3%.

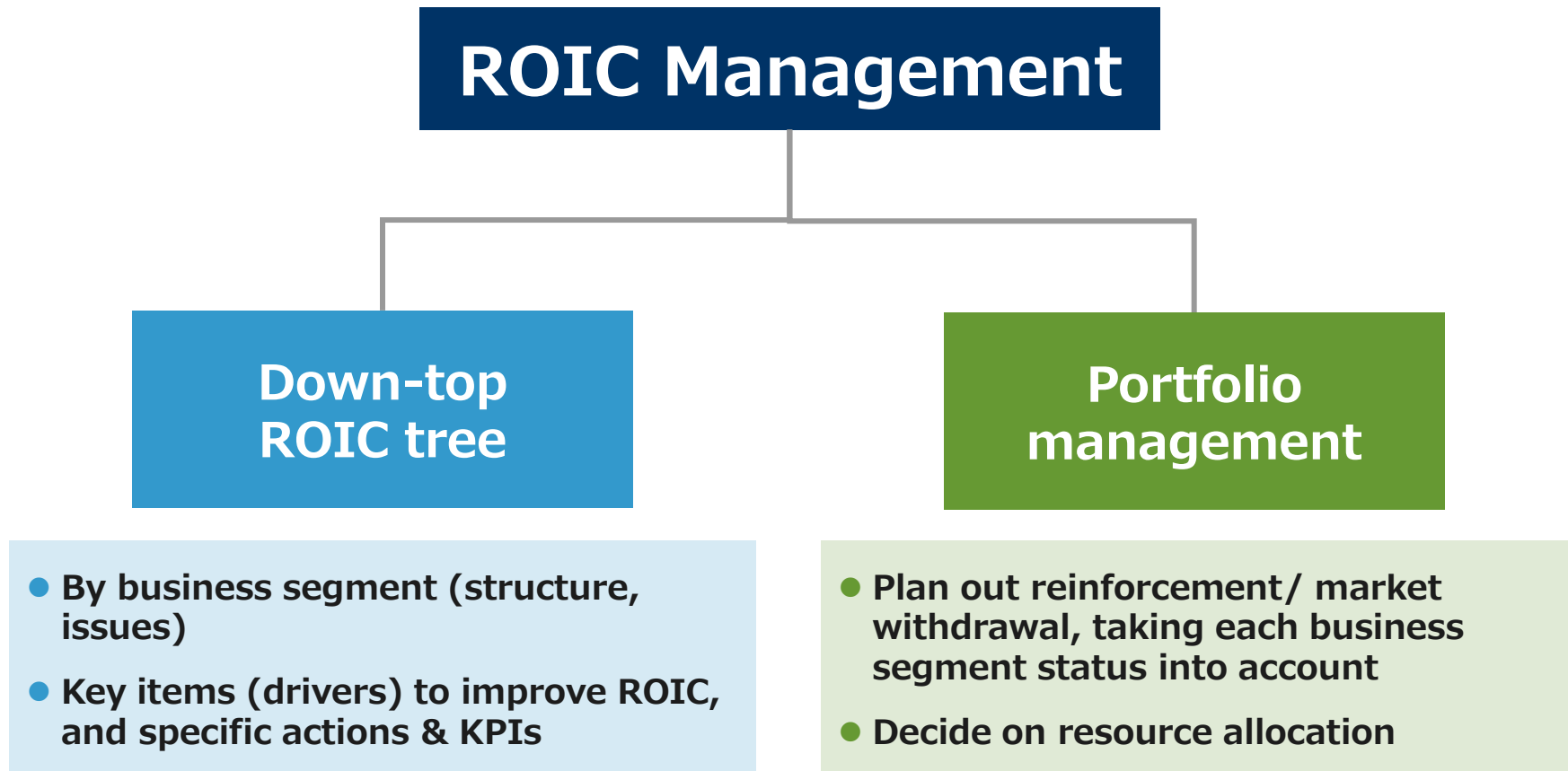
## Share Buyback

Retained earnings held over the long term are repurchased in a flexible manner.



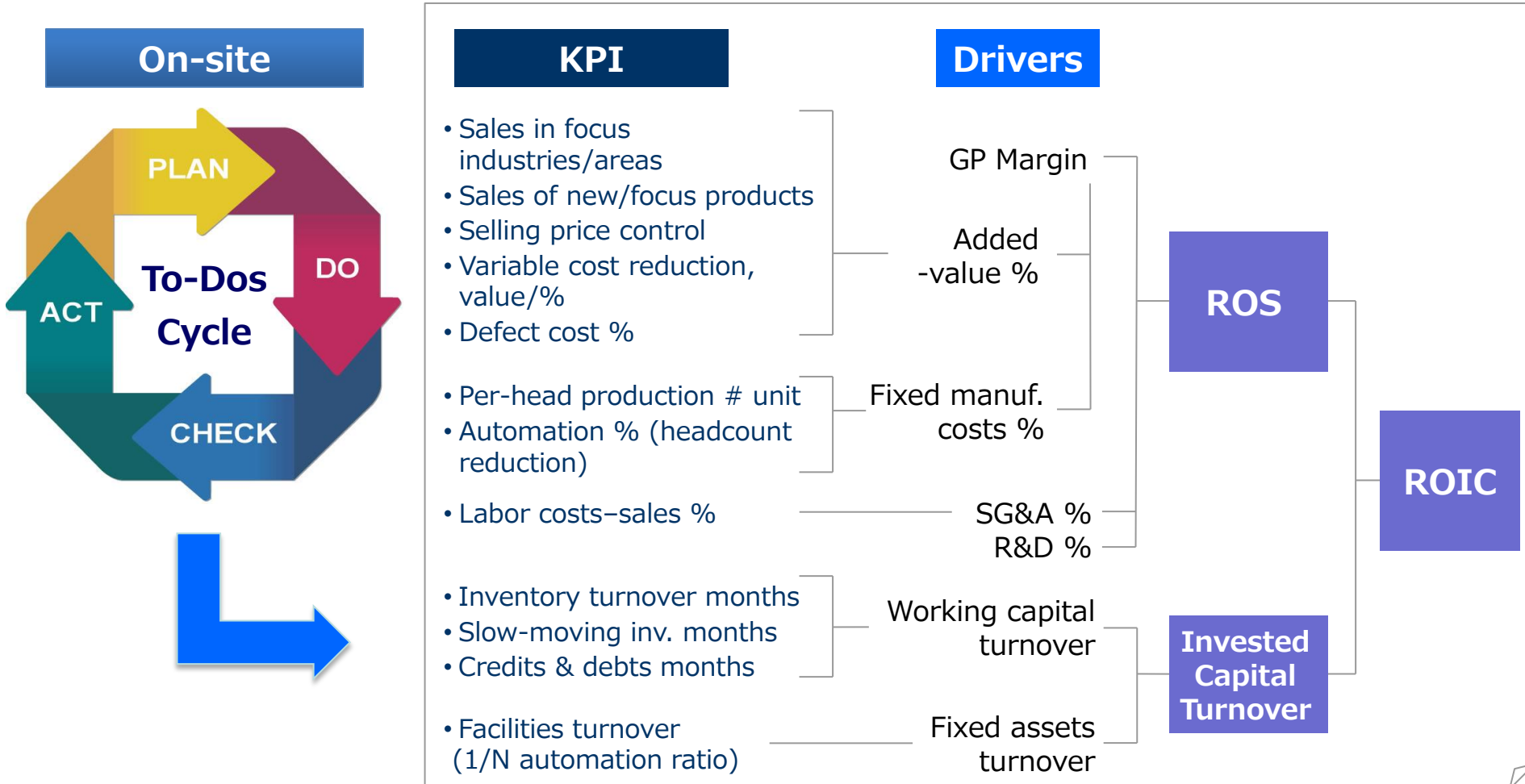
# ROIC Management

Set ROIC Management as medium- to long-term management decision making tools



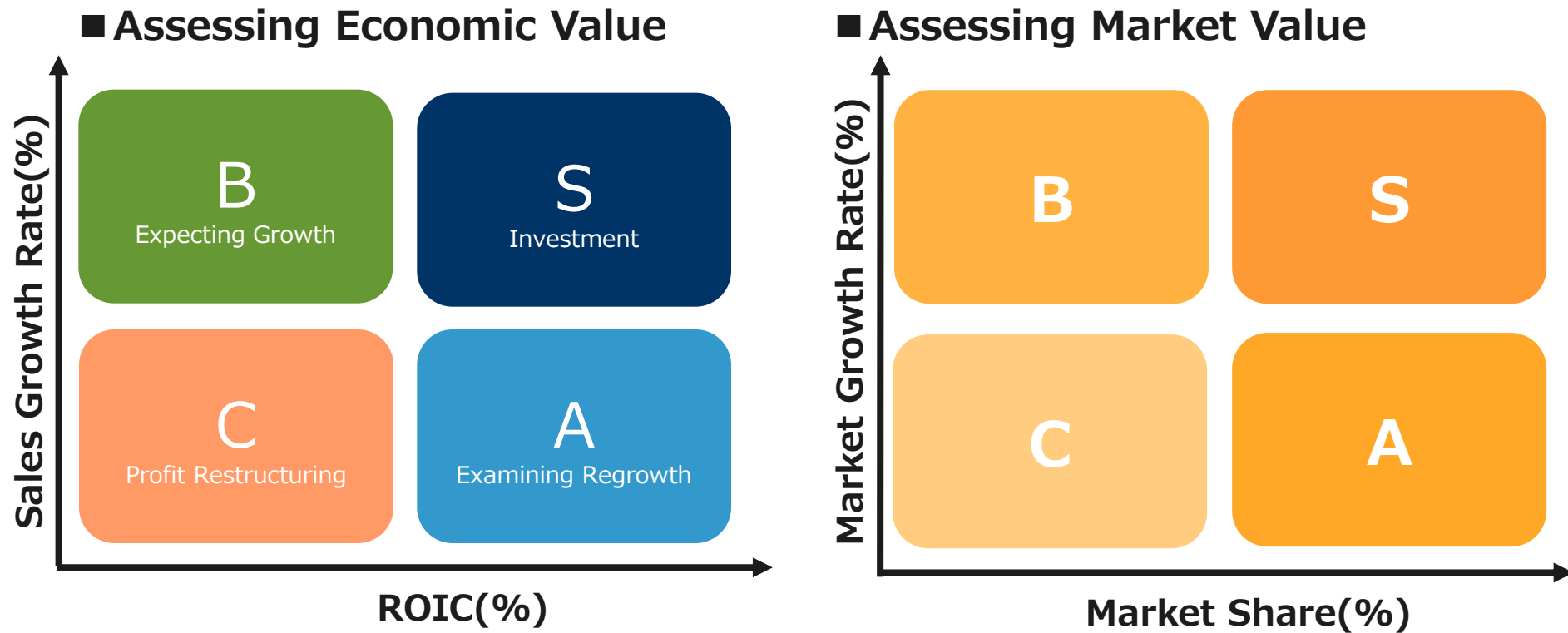
# Down-Top ROIC Tree

Down-top ROIC tree to work on KPI/PDCA at all level down to one-site staff



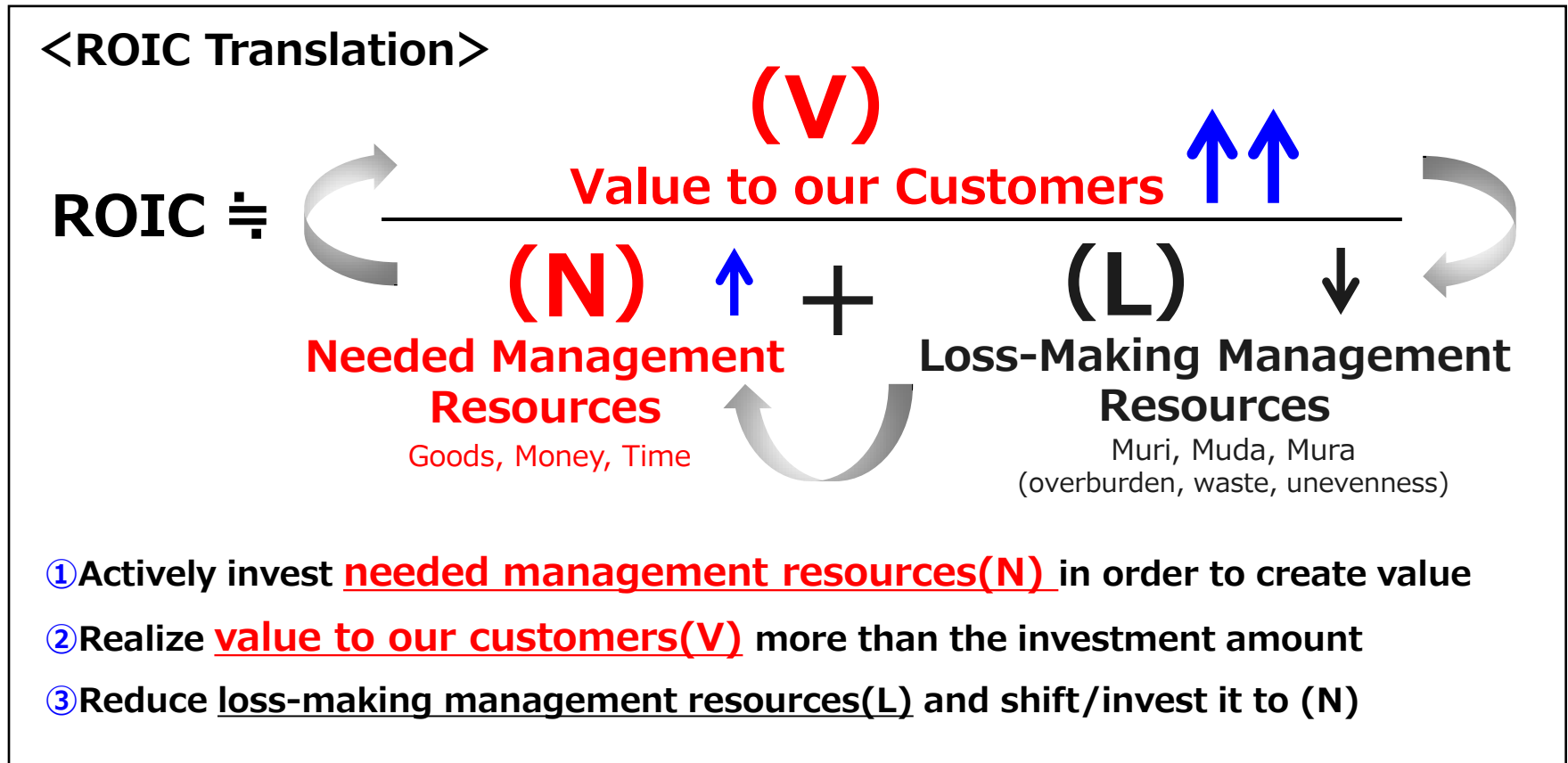
# Portfolio Management

After assessing economic and market value, allocate investment resources in an optimal manner



# ROIC Management Upgrading (ROIC 2.0)

Upgrading ROIC management to encourage an awareness and better understanding on ROIC

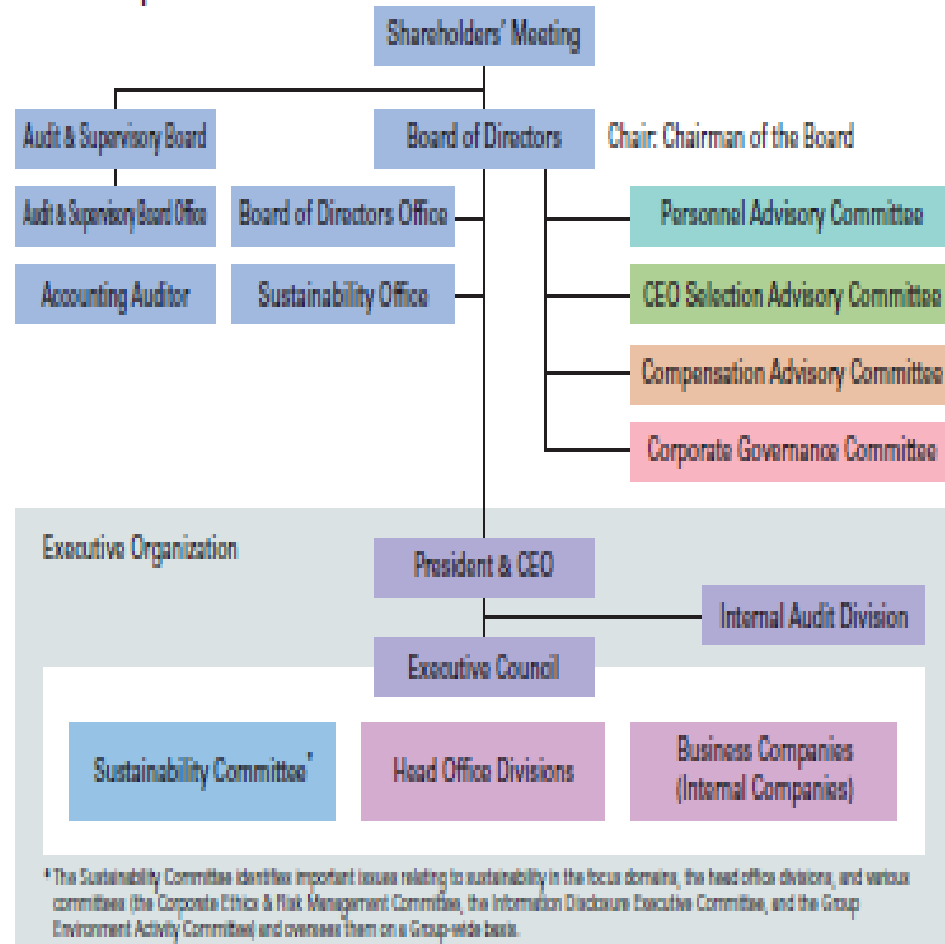


# Corporate Governance

## Highly transparent and effective corporate governance structure as a basis for sustainable value creation

- ✓ **Separation of management oversight and business execution**
  - **Separate position:**  
Chairperson of the BoD and CEO
  - **Of 8 directors, 3 are independent, with majority being non-executive**
  - **Larger authority given to business company presidents for swifter decision-making**
- ✓ **Personnel/ CEO selection/ compensation advisory committees and corporate governance committee**
  - **While OMRON is a company with an audit & supervisory board under Japan's Companies Act, it has 3 advisory committees and 1 committee**
  - **The four chaired by independent directors**
  - **President does not belong to any of the committees**

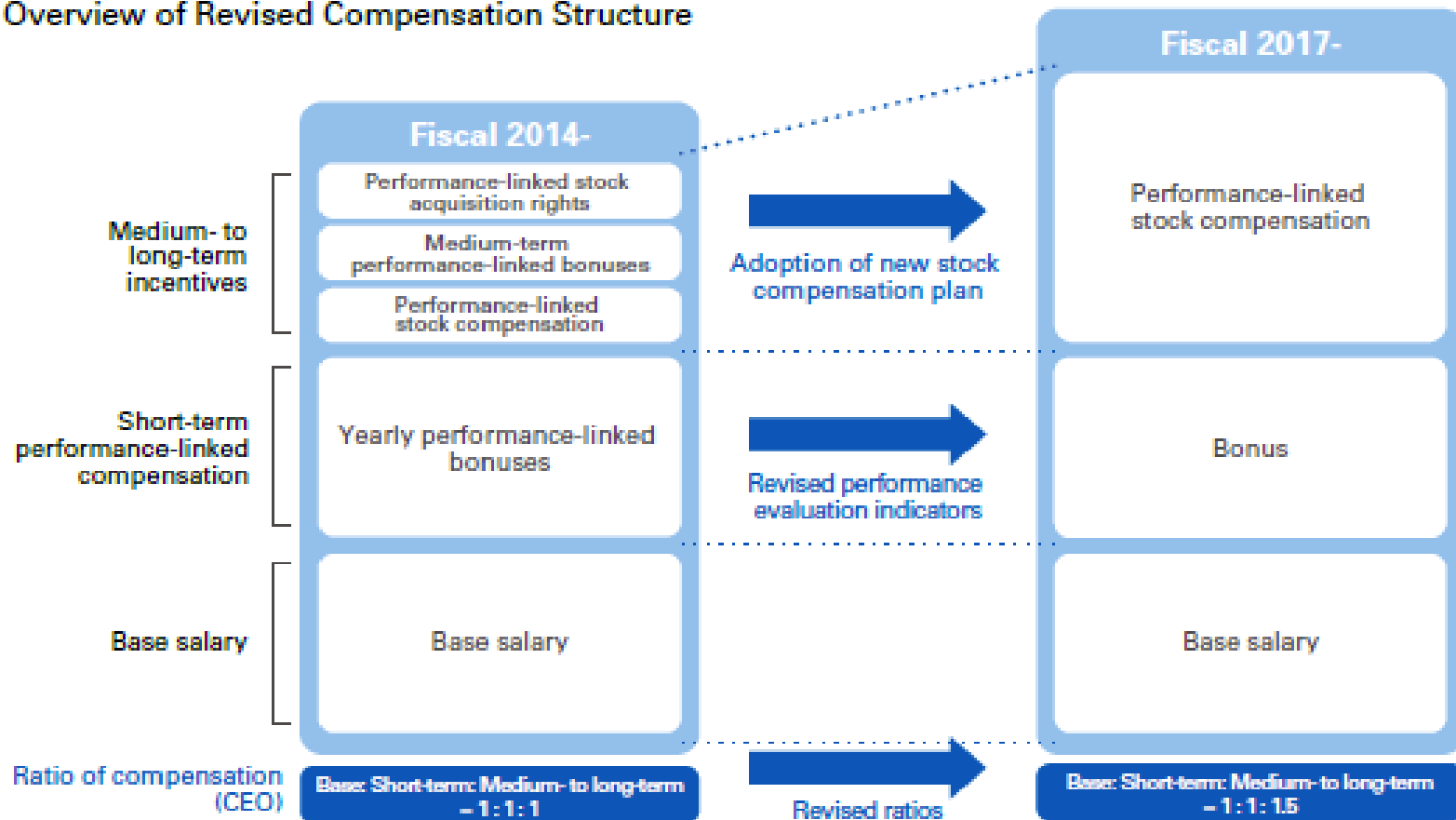
Fiscal 2019 Corporate Governance Framework



# Compensation Scheme

## Increased ratio of medium- to long-term performance-lined compensation

### ■ Overview of Revised Compensation Structure





**OMRON**